

The State of Cloud Adoption in US Federal Government – Hope, Hype, and Realities

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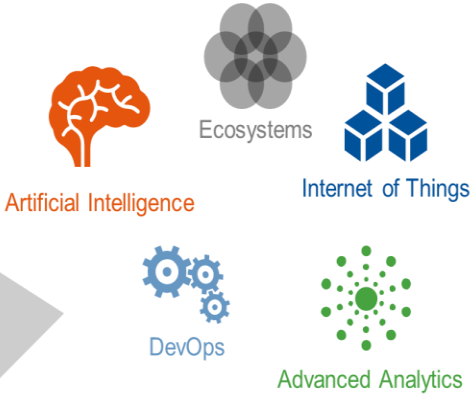
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The Great Federal Government Balancing Act



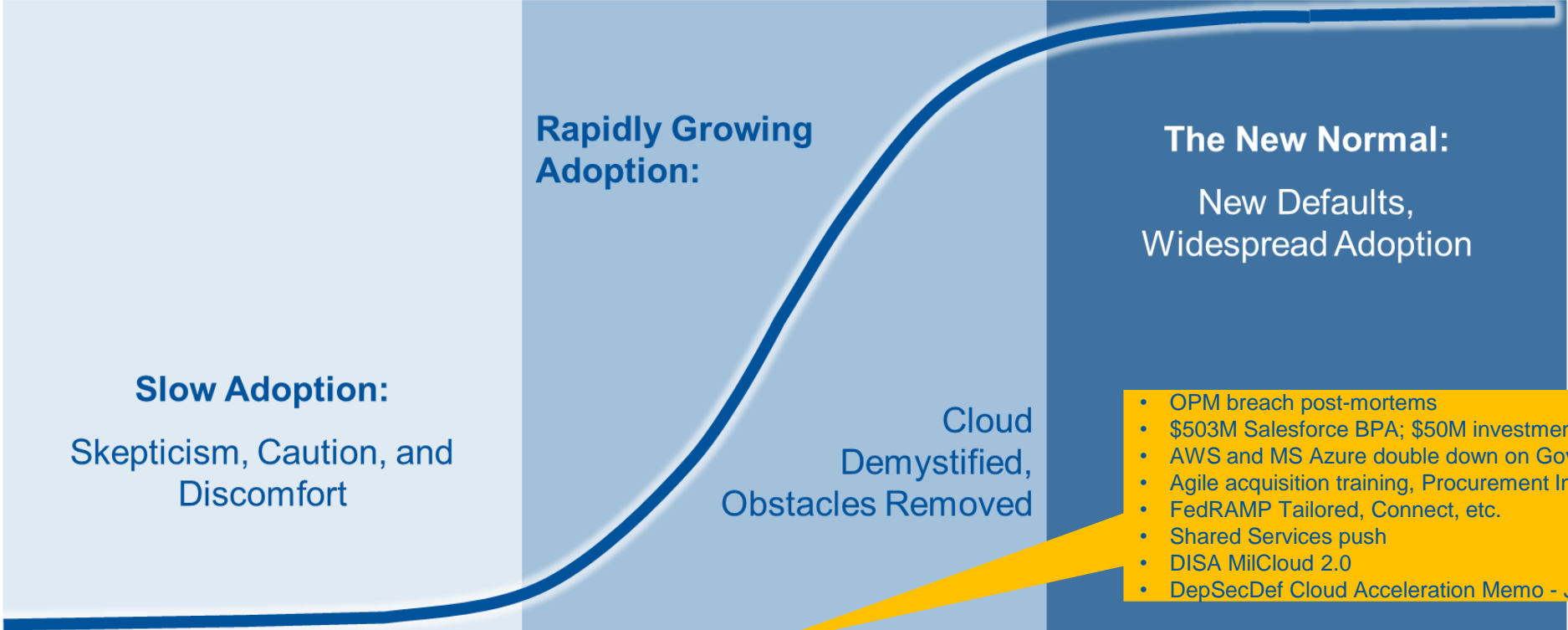
Cloud platforms solidify value today and act as accelerants towards the future.



Regulations	Data Sovereignty	Features
Security	Procurement Policies	Cost

SPA: By 2019, over 30% of technology providers' new software investments will shift from cloud-first to cloud-only.

The Federal Cloud Inflection Point is Finally Here



2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
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- 2010: Federal Data Center Consolidation Initiative; GSA IaaS BPA; Federal CIO's 25-Point Plan
- 2011: Federal Cloud Computing Strategy; NIST Cloud Computing Reference Architecture; FedRAMP Policy Memo
- 2012: GSA EmailaaS BPA
- 2013: Best Practices for Cloud Contracts; DoD Cloud Computing Strategy
- 2014: CIGIE Cloud Computing Initiative; GAO Cloud Computing Report; DoD Cloud Way Forward Report; DoD Updated Guidance on the Acquisition and Use of Commercial Cloud Computing Services; FedRAMP Forward
- 2015: FedRAMP draft FISMA High baseline; GSA Salesforce SaaS BPA
- 2016: DoD Cloud Computing Security Requirements Guide (SRG), Version 1; Best Practices Guide for Department of Defense Cloud Mission Owners
- 2017: FedRAMP FISMA High baseline; first FedRAMP FISMA High authorizations; first DoD Impact Level 5 authorization
- 2018: OPM breach post-mortems; \$503M Salesforce BPA; \$50M investment fund; AWS and MS Azure double down on GovCloud Investments; Agile acquisition training, Procurement Innovation Labs; FedRAMP Tailored, Connect, etc.; Shared Services push; DISA MilCloud 2.0; DepSecDef Cloud Acceleration Memo - JEDI
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- 2020-2024: The New Normal: New Defaults, Widespread Adoption

2018 Gartner CIO Survey

Technologies Most Crucial to Achieving Agencies' Missions

Rank	U.S. Federal (n = 55)		Total (n = 2, 834)	
1	Cloud services/solutions	35%	BI/analytics	26%
2	BI/analytics	15%	Digitalization/digital marketing	14%
3	Infrastructure/data center	11%	Cloud services/solutions	10%
4	Mobility/mobile applications	9%	Mobility/mobile applications	6%
5	Networking, voice and data communications	7%	Internet of things	6%
6	Virtualization	7%	Customer relationship management	5%
7	Security and risk	5%	Artificial intelligence	5%
8	Industry specific solutions	4%	Enterprise resource planning	5%
9	Internet of things	4%	Infrastructure/data center	5%
10	Integration/interoperability	4%	Automation	4%
Percentage of respondents				

Base: All answering, excludes DK, n varies by segment
 Showing the 10 most common answers per segment, coded open-text responses
 Which technology area do you think is most important to helping your business differentiate and win?/is most crucial to achieving your organization's mission?
 ID: 123456

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2018 Gartner CIO Survey

Top Technology Areas Attracting Spending or Suffering Cuts

Top 10 Areas Attracting New Spending

Top 10 Areas Suffering Spending Cuts

Rank	U.S. Federal (n = 53)		Rank	U.S. Federal (n = 48)	
1	Cloud services/solutions	28%	1	Infrastructure and data center	29%
2	Cybersecurity/information security	23%	2	Legacy systems	15%
3	BI/analytics	17%	3	Hosting services/server	8%
4	Infrastructure and data center	13%	4	People/talent management	6%
5	Virtualization	8%	5	None	6%
6	Networking, voice and data communications	6%	6	Cloud services/solutions	4%
7	Legacy modernization	6%	7	Software development or upgrades	4%
8	System/process automation	6%	8	Desktop refresh/upgrade	4%
9	Data management	6%	9	Contact center	4%
10	Mobility and mobility applications	4%	10	Communication/connectivity	4%

Percentage of Respondents

Base: All answering, excludes don't know; number of respondents varies by segment.

Showing the 10 most common answers per segment, coded open-text responses.

What are the technology areas where organization will be spending the highest amount of new or additional funding in 2018?

What are the technology areas where your organization will be reducing funding by the highest amount in

2018 compared to 2017?

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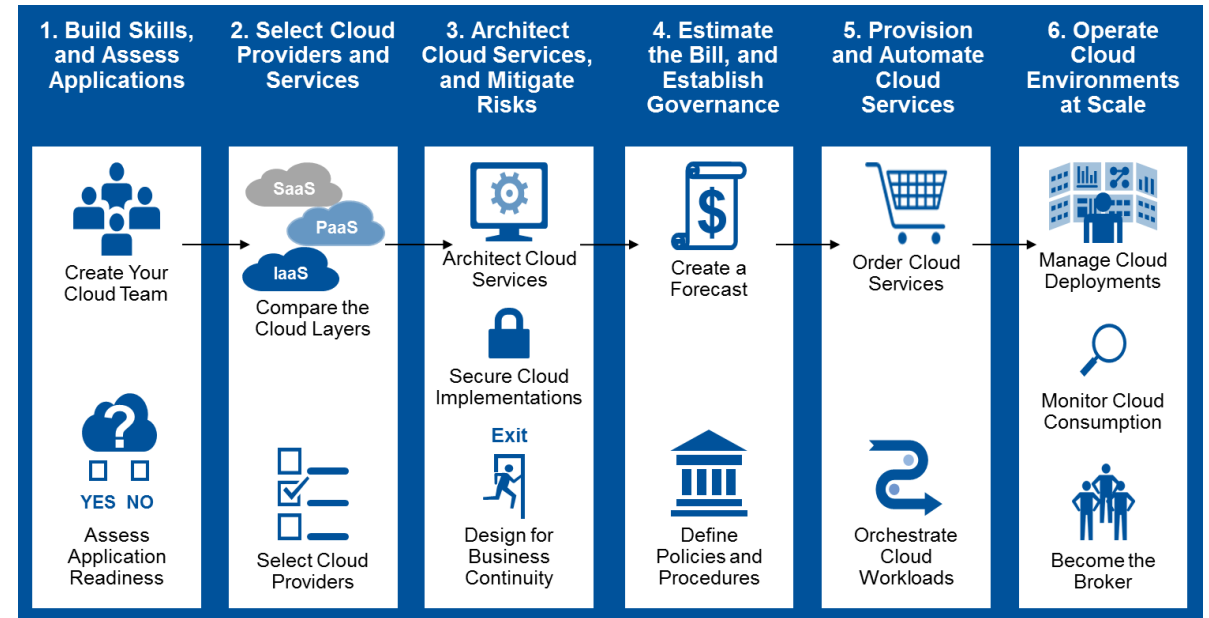
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2018 “Top of Mind” Topics

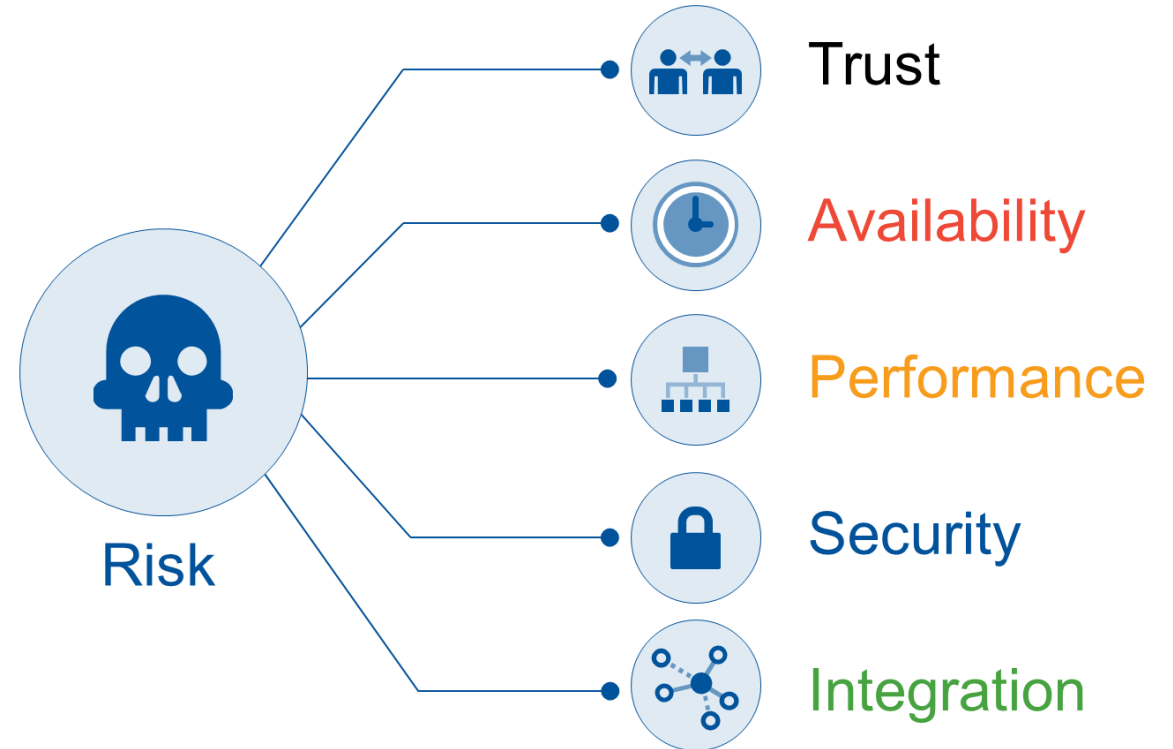
Cloud Strategy ≠ “The Boss Said So”

- Too few leaders understand what “Cloud” really means
- Not everything can or should move to Cloud environments
- Which “cloud” and “how cloudy”?
 - five essential characteristics
 - three service models
 - four deployment models
 - Rehost? Refactor? Re-architect? Rebuild? Replace? Re-imagine?
- Strategy is hard; Execution is harder
- Mission outcomes, the only True North



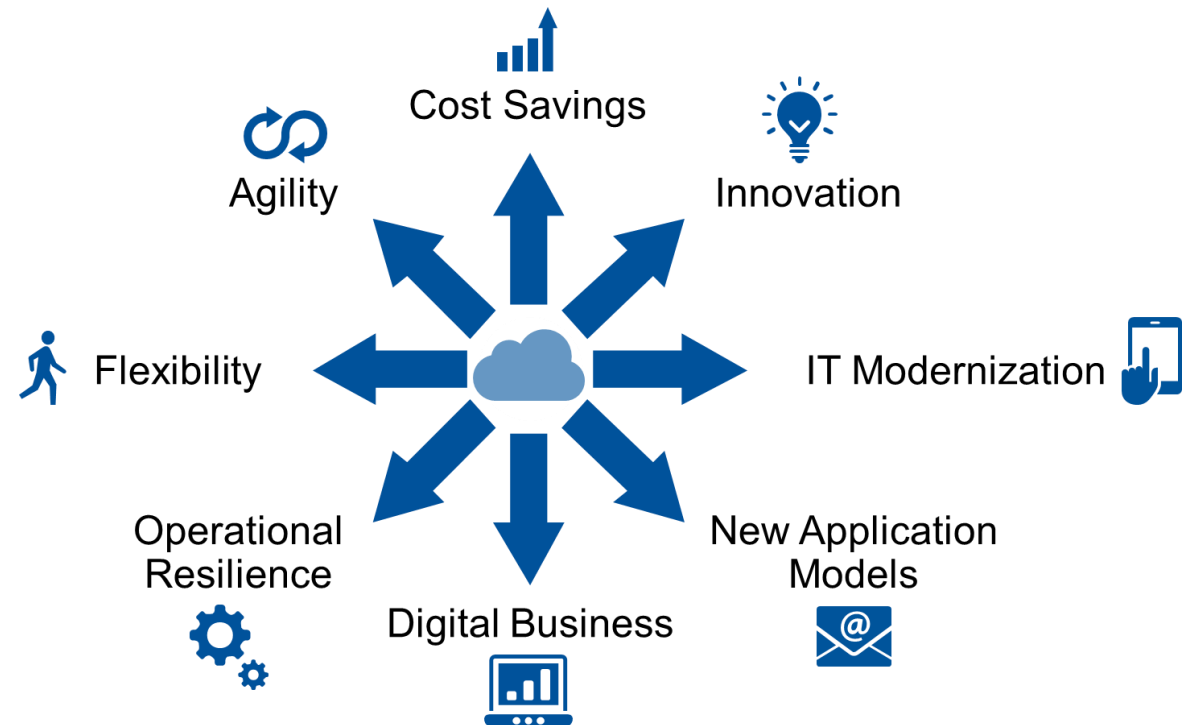
Security OF the Cloud ≠ Security IN the Cloud

- FedRAMP maturing, but ... Configuration errors? Data governance?
- Shared responsibility models different in IaaS, PaaS, SaaS
- TIC and CAP challenges
- New tools/services continually emerging
 - AWS buys Sqrri
 - Cloud Access Security Brokers (CASB) enter federal space
- Cloud challenges traditional perimeter security thinking
- Focus should be on all facets of Risk



How much \$ Will I Save?

- Mission outcomes often > cost savings
- While compute and storage is cheap, migration, maintenance and upgrade services can be costly
- Elasticity cuts both ways
 - Usage increases => Costs increase
- New procurement paradigms are needed
- Governance and tight spend management is key



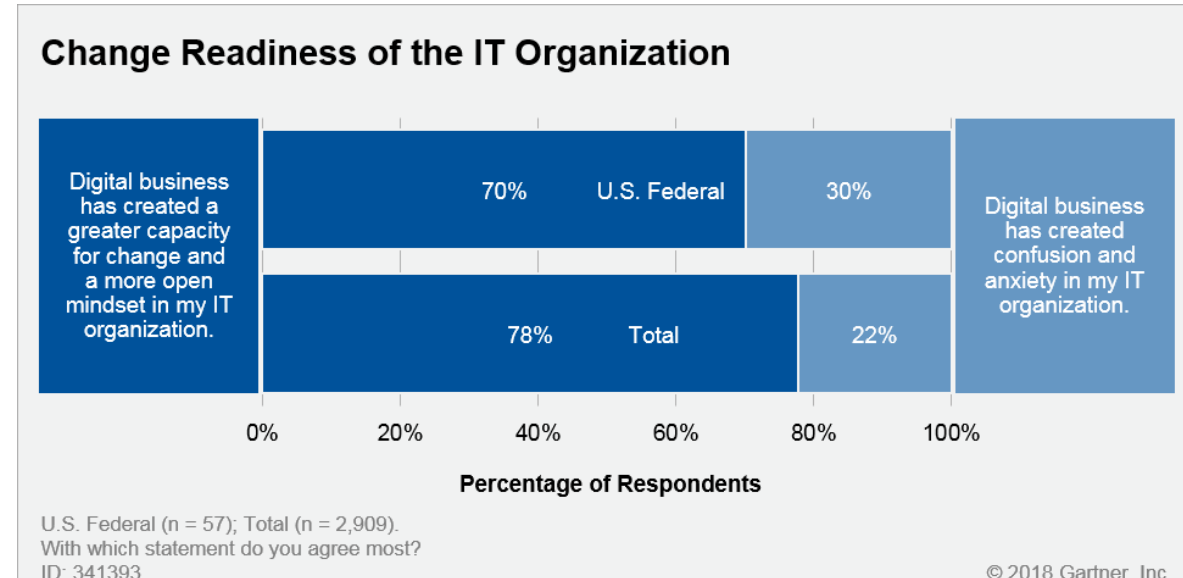
Competitive Landscape

- Convergence in GovClouds BUT The Future will be Hybrid
- Conscious trade-offs are key
 - Specialization versus breadth, depth, innovation
- FedRAMP list keeps growing
- Explosion of Ecosystem Vendors
 - SaaS Marketplaces + Services: Cloud Migration, Disaster recovery, Application Management and Support, Consulting, Brokerage/multi cloud management, Managed Services offerings, Network, Security, Governance
- Small business goals aren't going away
- Every Cloud move MUST include an Exit Strategy

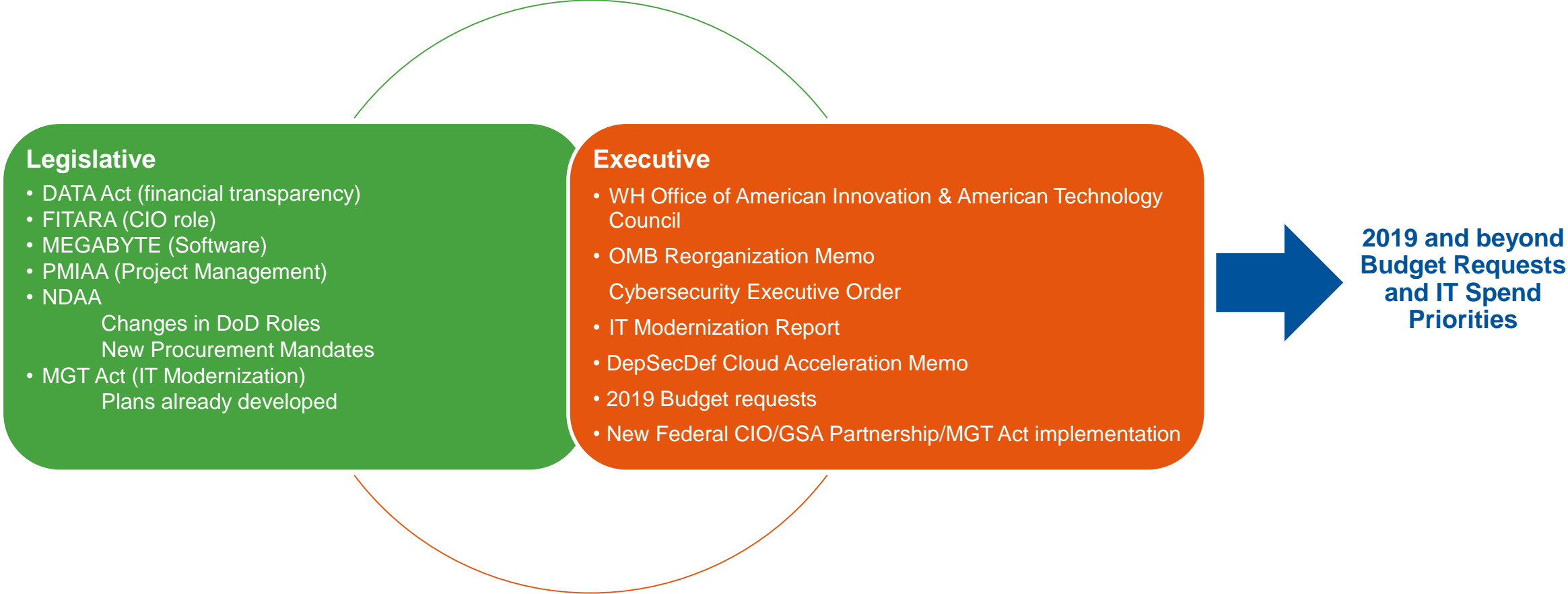


Why Do I Get the Feeling this is Bigger than Technology?

- It's a different way of THINKING
- It's a different BUSINESS MODEL
- Culture remains the biggest issue
 - From Command and control to Agility and Innovation
 - From Serial Requirements Development to Iterative Prototyping
 - Continuing debate between centralization and mission effectiveness
- Acute talent gap continues
- Beware the Walking Dead - in Agencies ... and Industry!



The Way Ahead – Alignment Helps with Momentum



New Mindset: Modernization Presents Risks, but Failure to Modernize Presents Much Bigger Risks – get moving!

Q&A